

## Rhode Island Department of Revenue Division of Taxation

ADV 2022-24 Tax Administration ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS September 15, 2022

## Property tax relief credit increasing in January

One of the main tenets of the Rhode Island Division of Taxation's mission is to "assist taxpayers by helping them understand and meet their tax responsibilities." To ensure taxpayers and tax professionals understand the impacts of recent law changes, the Division is issuing a series of communications, such as this one, intended to be plain-language summaries for reference and use by taxpayers to aid voluntary compliance.

PROVIDENCE, R.I. – This coming January, many Rhode Island Taxpayers can expect to see an increase in their property tax relief credit.

An existing Rhode Island law provides for a property tax credit for property taxes accrued on the taxpayer's homestead. The amount accrued may include the amount of rent constituting property taxes. The credit is based on the taxpayer's household size and income level, as outlined in R.I. General Law § 44-33-9.

The credit is calculated as the amount of property taxes above a certain percentage of the taxpayer's total household income. There is a provision for a maximum credit allowance.

Due to legislation passed this summer, starting in January the maximum income level for taxpayers to qualify for the credit will increase from \$30,000 to \$35,000. The program will provide for a maximum credit of \$600 for tax years beginning on or after January 1, 2022. There are also provisions for inflation adjustments to both the income levels and the maximum credit.

The Rhode Island Division of Taxation, part of the Rhode Island Department of Revenue, is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <a href="https://tax.ri.gov/about-us/contact-us">https://tax.ri.gov/about-us/contact-us</a>.